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Econ estimates on Sov Bloch; Navy disagreement

14 May 1953

MEMORANDUM FOR: Captain Allan L. Reed, USN
Office of Naval Intelligence

SUBJECT : Fortune article on Soviet Business

1. I hope the Fortune article -- and others like it -- are correct. As you know, this sort of thing is directly counter to the EIC studies. We warn the ORR and EIC representatives at our meetings that just as much harm can be done by scaring our government to death as by lulling it into false security. Moreover, we keep suggesting checks and re-checks on EIC estimates of economic capabilities.

2. Having done this, it seems to me that we've got to go along with the experts who are undoubtedly both honest and competent. Moreover, their estimates are confirmed by studies of the Soviet schools at Harvard and Columbia and by the economic conference at Arden House.

3. So, while retaining our skepticism, and asking all the awkward questions we can think of, the only safe course is to accept the estimates of the experts.

Sincerely yours,

EX1A

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National Estimates

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